



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-170-11**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by British Columbia Hydro and Power Authority
for Approval to Amend Rate Schedule 1289 – Net Metering Service and
Cancel Tariff Supplement No. 63 – Net Metering Interconnection Agreement

BEFORE: L.F. Kelsey, Commissioner
D. Morton, Commissioner

October 6, 2011

O R D E R

WHEREAS:

- A. British Columbia Hydro and Power Authority (BC Hydro) filed an Application (Application) dated September 9, 2011 with the British Columbia Utilities Commission (Commission), pursuant to sections 58 to 61 of the *Utilities Commission Act* (the Act) for approval to amend Rate Schedule 1289 – Net Metering Service (RS 1289) and cancel Tariff Supplement No. 63 – Net Metering Interconnection Agreement (TS No. 63);
- B. The Application stated that RS 1289 was designed for residential and general service customers who wish to connect a small generating unit using a clean energy source to BC Hydro's distribution system. Electricity produced by the customer in excess of their consumption in a billing period is carried over to the next billing period as a credit in the generation account of the net metering customer. At the end of each year, BC Hydro credits the customer's account for any remaining excess generation at the RS 1289 energy price;
- C. RS 1289 was originally approved by Commission Order G-26-04 on March 12, 2004, and a price increase amendment was approved by Commission Order G-4-09 on January 29, 2009. RS 1289 is available, upon application, to customers taking service from BC Hydro who install a generating facility, with a nameplate rating of not more than 50 kW and which can be defined as producing "BC Clean Electricity," to serve their electricity requirements;
- D. Commission Order G-4-09 and Reasons for Decision stated that, until a directive from the Province is received with respect to incentive pricing and the specific role of the Net Metering Program in achieving conservation objectives, the Commission cannot presume the details of potential Government Policy. The Commission was therefore not persuaded that it should order BC Hydro to include an incentive component into the Net Metering price;

E. The Application proposes to:

- a. increase the price paid for net annual surplus generation from 8.16 c/kWh to 9.99 c/kWh as a result of higher prices paid under the 2011 Standing Offer Program (SOP). BC Hydro notes that the Application is consistent with Policy Action No. 11 of the 2007 BC Energy Plan, which intends that the price paid for net annual surpluses of generation purchased by BC Hydro be aligned and generally consistent with the prices paid under BC Hydro's SOP;
- b. deny availability of RS 1289 to commercial customers taking service at a primary potential due to the added technical complexity of this type of interconnection;
- c. deny availability of RS 1289 to customers with synchronous generators because BC Hydro is finding that it requires additional equipment cost and considerable engineering time to work with the customer and approve the interconnection;
- d. update and integrate the Net Metering Interconnection Agreement TS No. 63 into RS 1289;

F. The Commission has considered BC Hydro's Application and considers a regulatory timetable should be established to review the Application.

NOW THEREFORE, the Commission orders as follows:

1. The Commission establishes a Written Public Hearing process for the review of the Application according to the Regulatory Timetable set out in Appendix A to this Order. The process includes written Information Requests, responses to Information Requests from BC Hydro, and submissions from Registered Interveners on the Application.
2. As soon as reasonably possible, BC Hydro is to provide a copy of the Application, and this Commission Order and Regulatory Timetable, to all Interveners or Interested Parties in the 2008 RS 1289 proceeding.
3. As soon as reasonably possible, BC Hydro is to provide (electronically or by mail) a copy of the Application, and this Commission Order and Regulatory Timetable, to all current RS 1289 customers and those with applications in progress.
4. BC Hydro is to publish the Application, this Commission Order and Regulatory Timetable on its website.
5. Interveners and Interested Parties should inform the Commission in writing or register on-line via the Commission's website at www.bcuc.com by Friday, October 28, 2011 of their intention to actively intervene in the proceeding, or become Interested Parties. Registered Interveners will receive from BC Hydro copies of the Application, all correspondence and filed documentation. Interested Parties may file Letters of

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Comment and will receive a copy of the Commission's Decision when issued. Interveners should state the nature of their interest in the Application.

6. Interveners intending to apply for Participant Assistance must submit a budget estimate by Monday, October 31, 2011. Participant Assistance applications should be consistent with the Commission's Participant Assistance/Cost Award Guidelines and Order G-72-07. Copies of the Guidelines are available upon request or can be downloaded from the Commission's website.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of October 2011.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

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REGULATORY TIMETABLE

ACTION	DATES (2011)
Commission Information Request to BC Hydro	Thursday, October 27
Registration Deadline for Interveners and Interested Parties	Friday, October 28
Deadline for Submitting Participant Assistance/Cost Award Budgets	Monday, October 31
Intervener Information Request to BC Hydro	Friday, November 4
BC Hydro Response to Commission and Intervener Information Requests	Wednesday, November 16
Intervener Submissions	Monday, November 28
BC Hydro Reply Submission	Friday, December 9